

May 5, 1999

Forty-three Senators Urge Action This Year

**Make MSAs Available to All Americans
“Immediately”**

Forty-three Senators voiced their intention to make medical savings accounts (MSAs) available to all Americans this year. In an April 29, 1999 letter to Senate Majority Leader Lott and Finance Committee Chairman Roth, they claim the MSA pilot program created in 1996 is “crippled with restrictions demanded by those determined to see MSAs fail,” including restrictions on eligibility for and the flexibility of MSAs. Say the 43 Senators, “This situation must be corrected immediately.”

The MSA concept combines a high-deductible catastrophic health insurance policy with a tax-preferred savings account designated for medical expenses. Consumers (or their employers) deposit pre-tax dollars into the MSA, which covers routine medical expenses. If a family’s medical expenses exceed the catastrophic policy deductible, insurance takes over. Any money left in the MSA at the end of the year continues to grow tax-free.

MSAs make health insurance more accessible. More than one-third of those who have purchased MSAs to date previously had no coverage. Plus, with MSAs patients choose their own doctor and have direct access to specialists because they control their health care dollars.

The letter calls for “five key corrections” to the MSA pilot program, four of which are contained in the Republican leadership’s “Patients’ Bill of Rights — Plus” (S. 300). Senator Inhofe’s “Medical Savings Account Expansion Act” (S. 657) contains all five:

- 1) *Make catastrophic policy deductibles more flexible (S. 300 and S. 657).*
- 2) *Make MSAs available to everyone (S. 300 and S. 657).*
- 3) *Eliminate time and numerical restrictions on MSA sales (S. 300 and S. 657).*
- 4) *Allow enrollees to fully fund their MSA (S. 300 and S. 657).*
- 5) *Allow joint employer-employee MSA contributions (S. 657 only).*

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[For a copy of the letter, contact Cathey Cravens in Senator Inhofe’s office (4-6995).]